

Presentation to the Audit Committee  
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# 2015 Annual Fraud and Hotline Report

**Beverly Romeo-Beehler, CPA, CMA, B.B.A., JD**  
Auditor General

**Carmelina Di Mondo, LLB, CFE, CGAP**  
Assistant Auditor General, Forensic Unit

# ROI Metrics

## Volume of Complaints

- 572 Complaints = 800 Allegations
- 100% Complaints reviewed
- 80% AG Preliminary Investigative Work
- AG oversight in all referrals to Divisions

## Substantiated

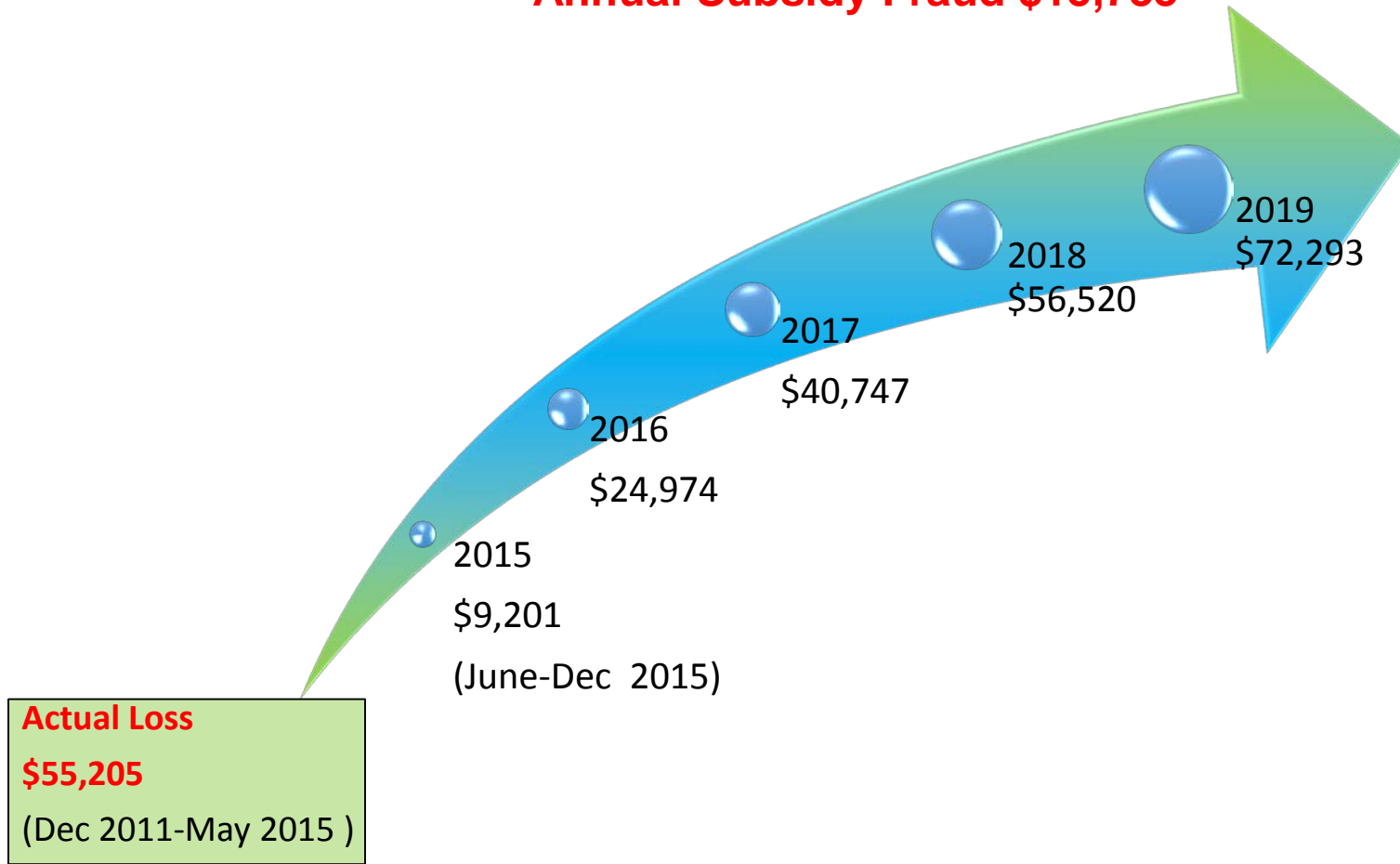
- 25% Substantiated as at December 31, 2015
- % expected to increase as outstanding complaints conclude in 2016
- 51% were anonymous

## Losses & Recoveries Last 5 Years

- \$5.2M actual losses due to wrongdoing
- \$2.2M potential losses (could have resulted in actual losses had wrongdoing not been detected)
- \$1.5M recoveries

# Potential Recurring Losses

**Annual Subsidy Fraud \$15,733**



# ROI Metrics

<b>Discipline</b>	<ul style="list-style-type: none"><li>• 25 instances<ul style="list-style-type: none"><li>• e.g. termination, suspension, letter of direction</li></ul></li></ul>
<b>Other Action</b>	<ul style="list-style-type: none"><li>• 30 instances of other appropriate action taken<ul style="list-style-type: none"><li>• e.g. training to reinforce expectations</li></ul></li></ul>
<b>Use Data to Identify Trends</b>	<ul style="list-style-type: none"><li>• Conflict of interest, Time theft, Subsidy fraud</li><li>• Support Annual Hotline Report Recommendations</li><li>• Inform AG Audit Workplan</li></ul>
<b>Non-Quantifiable Benefits</b>	<ul style="list-style-type: none"><li>• Deterrence of Fraud or Wrongdoing</li><li>• Internal Controls Strengthened</li><li>• Operational Efficiencies</li></ul>

# Insufficient Resources

- Delays in triaging complaints
- Certain key investigations should be led by AG Forensic Unit
- Level of independent oversight



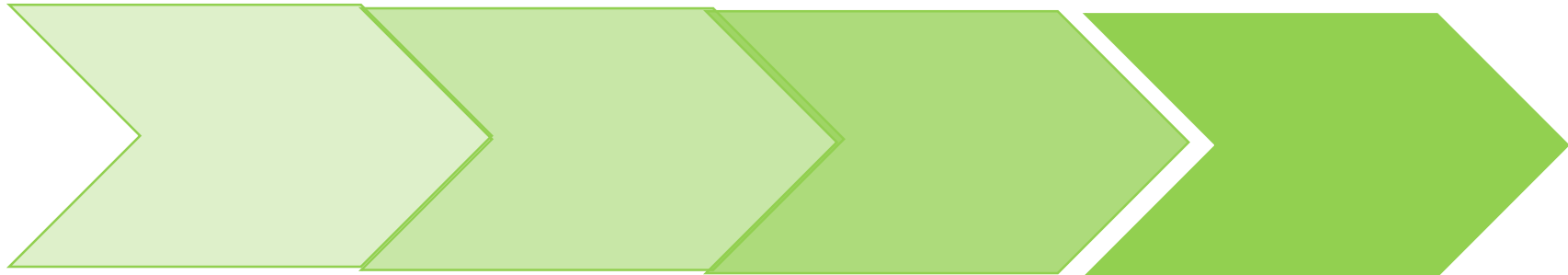
# Disclosure of Wrongdoing Framework

## AUDITOR GENERAL

- Operate Hotline
- Investigate “Wrongdoing” or refer to City Manager
- Independent oversight over management led investigations
- Investigate “Reprisals”

## CITY MANAGER

- Set high ethical standards
- Investigate “Wrongdoing” referred by AG
- Report investigation results to AG
- Investigate “Misconduct”
- Protect employees from “Reprisal”



# Recommendation

Management is a key player in investigation of wrongdoing



Fraud and wrongdoing complex  
AG Independent Office



City Manager to ensure training on conducting investigations  
available to support City staff

***“Committed to Integrity,  
Transparency and  
Accountability”***